

Date : 16-11-2018.

From:

Silver Oak Realty,
5-4-187/3&4, 2nd Floor
Soham Mansion, M.G Road,
Secunderabad- 500003.

To:

Income tax Officer,
Ward 10(3) / Hyd,
I.T Towers, A.C Guards,
Hyderabad.

Sir/Madam,

Sub: Income tax Assessment proceedings – Own case- Asst. Year : 2016-17
PAN – ACXFS3783R - Submission of Incorporation – Reg.
Ref: Your Notice U/S 142(1) dated 15/11/2018

In connection with the income tax assessment proceedings certain information requested for is submitted hereunder for your kind consideration.

1. Explanation on the discrepancies in the value redeemed from value of inventories as on 31.03.2016.

The opening stock value of the land as on 01.04.2016 and the closing stock value of the hand as on 31.03.2016 and the changes in the stocks is as under:

Particulars	Opening stock as on 01.04.2016	Closing Stock as on 31.03.2016	Increase / (Decrease) in Stock
Phase – II land	4,62,000.00	4,62,000.00	-
Phase – III land	31,59,115.88	14,03,389.88	(17,55,726.00)
Land 16.5 Guntas	8,16,100.00	8,16,100.00	(8,16,100.00)
Phase IX	9,10,60,300.00	9,10,60,300.00	-
	9,54,97,515.88	9,29,25,689.88	(25,71,826.00)

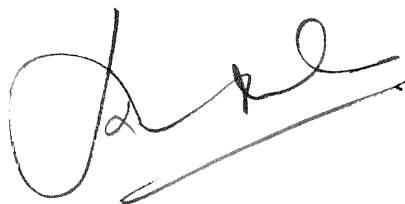
During the year, there have been sales of houses in phase – III for which revenue of Rs.2,57,25,000/- is credited to construction account. The cost of sales in respect of land cost amounting to Rs17,55,726/- is redeemed from the closing inventories as on 31.03.2016. The total land value redeemed from the closing inventories as on 31.03.2016 is thus as under:

In relation to phase – III land is	Rs 17,55,726.00
In relation to land 16.5 guttas is	Rs 8,16,100.00

Total	Rs 25,71,826.00

The Grouping sheet of stock of Land is attached as **Annexure 1.**

In view of the above is submitted that there is no discrepancy in the value redeemed from the closing inventories as on 31.03.2016.



2. Profit on account of land sold admeasuring 16.5 guntas for the F.Y: 2015 -16:

The gross profit on sale of stocks being 16.5 guntas of land is worked out as under:

Sale Consideration (Credited to Construction Account)	Rs 1,20,00,000.00
Less: Cost of Sales (redeemed as changes in inventories as on 01.04.2016 & 31.03.2016)	Rs 8,16,100.00

Gross Profit	Rs 1,11,83,900.00
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We hope you will find the above information in order

Yours faithfully

For SILVER OAK REALTY,

PARTNER.